

consumers that is substantially equivalent to, or greater than, the protection afforded by this rule.

(b) If the Office makes a determination as specified under paragraph (a) of this section, then that provision of this section will not be in effect in that state to the extent specified by the Office in its determination, for as long as the state administers and enforces the state requirement or prohibition effectively, as determined by the Office.

(c) The Director of Consumer Affairs in consultation with the Chief Counsel shall have delegated authority to make such determinations as are required under this part 535.

PART 541—DEFINITIONS

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AUTHORITY: 12 U.S.C. 1462a, 1463, 1464.

SOURCE: 54 FR 49480, Nov. 30, 1989, unless otherwise noted.

§ 541.1 General.

Unless another definition is provided in this chapter, definitions in part 561 of this chapter apply.

§ 541.2 Act.

The term *Act* means the Home Owners' Loan Act of 1933, as amended.

§ 541.3 Combination of home and business property.

The term *combination of home and business property* means a home used in part for business.

§ 541.4 Combination of residential real estate and business property involving only minor or incidental business use.

The term *combination of residential real estate and business property involving only minor or incidental business use* means residential real estate for which no more than twenty percent of the total appraised value of the real estate is attributable to the business use.

§ 541.5 Commercial paper.

The term *commercial paper* means any note, draft, or bill of exchange which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited.

§ 541.6 Cooperative housing development.

The term *cooperative housing development* means real estate primarily comprising a group of single-family dwellings owned by a non-profit cooperative housing organization.

§ 541.7 Corporate debt security.

The term *corporate debt security* means a marketable obligation, evidencing the indebtedness of any corporation in the form of a bond, note and/or debenture which is commonly regarded as a debt security and is not predominantly speculative in nature. A security is marketable if it may be sold with reasonable promptness at a price which corresponds reasonably to its fair value.

§ 541.8 Debit card.

The term *debit card* means a card that enables an accountholder to obtain access to a savings account for the purpose of making withdrawals or of transferring funds to a third party by non-transferable order or authorization.

§ 541.10 Dwelling unit.

The term *dwelling unit* means the unified combination of rooms designed for residential use by one family, other than a single-family dwelling.

§ 541.11 Federal savings association.

The term *Federal savings association* means a Federal savings association or Federal savings bank chartered under section 5(o) of the Act.

§ 541.13 Guaranteed loan.

The term *guaranteed loan* means a loan guaranteed or as to which a commitment to guarantee has been made under the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, as amended.

§ 541.14 Home.

The term *home* means real estate comprising a single-family dwelling(s) or a dwelling unit(s) for four or fewer families in the aggregate.

§ 541.15 Improved nonresidential real estate.

The term *improved nonresidential real estate* means nonresidential real estate:

- (a) Containing a permanent structure(s) constituting at least 25 percent of its value; or
- (b) Containing improvements which make it usable by a business or industrial enterprise; or
- (c) Used, or to be used within a reasonable time, for commercial farming, excluding hobby and vacation property.

§ 541.16 Improved residential real estate.

The term *improved residential real estate* means residential real estate containing offsite or other improvements sufficient to make the property ready for primarily residential construction, and real estate in the process of being improved by a building or buildings to be constructed or in the process of construction for primarily residential use.

§ 541.17 Insured loan.

The term *insured loan* means a loan as to which the mortgagee is insured, or as to which a commitment for such insurance has been made under the National Housing Act or the Servicemen's

Readjustment Act of 1944, or chapter 37 of title 38, United States Code, as amended.

§ 541.18 Interim Federal savings association.

The term *interim Federal savings association* means a Federal savings association chartered by the Office under section 5 of the Act to facilitate the acquisition of 100 percent of the voting shares of an existing Federal stock savings association or other insured stock savings association by a newly formed company or an existing savings and loan holding company or to facilitate any other transaction the Office may approve.

§ 541.19 Interim state savings association.

The term *interim state savings association* means a savings association, other than a Federal savings association, the accounts of which are insured by the FDIC to facilitate the acquisition of 100 percent of the voting shares of an existing Federal stock savings association or other insured stock savings association by a newly formed company or an existing savings and loan holding company or to facilitate any other transaction the Office may approve.

§ 541.20 Loans.

The term *loans* means obligations and extensions or advances of credit; and any reference to a loan or investment includes an interest in such a loan or investment.

§ 541.21 Nonresidential real estate.

The terms *nonresidential real estate* or *nonresidential real property* mean real estate that is not *residential real estate*, as that term is defined in § 541.23 of this part.

§ 541.22 [Reserved]

§ 541.23 Residential real estate.

The terms *residential real estate* or *residential real property* mean homes (including condominiums and cooperatives), combinations of homes and business property, other real estate used for primarily residential purposes other than a home (but which may include homes), combinations of such

real estate and business property involving only minor business use, farm residences and combinations of farm residences and commercial farm real estate, property to be improved by the construction of such structures, or leasehold interests in the above real estate.

§ 541.25 Single-family dwelling.

A structure designed for residential use by one family, or a unit so designed, whose owner owns, directly or through a non-profit cooperative housing organization, an undivided interest in the underlying real estate, including property owned in common with others which contributes to the use and enjoyment of the structure or unit.

§ 541.26 Surplus.

The term *surplus* means undistributed earnings held as unallocated reserves for general corporate use.

§ 541.27 Unimproved real estate.

The term *unimproved real estate* means real estate that will be improved, as defined in § 541.15 or § 541.16 of this part.

§ 541.28 Withdrawal value of a savings account.

The term *withdrawal value of a savings account* means the amount invested in a savings account plus earnings credited thereto, less lawful deductions therefrom.

PART 543—INCORPORATION, ORGANIZATION, AND CONVERSION OF FEDERAL MUTUAL ASSOCIATIONS

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543.1 Corporate title.

ORGANIZATION

543.2 Application for permission to organize.

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543.8 Conversion of State mutual charter to Federal charter.

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543.10 Organization after conversion.

543.11 Organization plan for governance during first years after issuance of Federal mutual savings bank charter.

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543.14 Continuity of existence.

AUTHORITY: 12 U.S.C. 1462, 1462a, 1463, 1464, 1467a, 2901 *et seq.*

SOURCE: 54 FR 49482, Nov. 30, 1989, unless otherwise noted.

§ 543.1 Corporate title.

(a) *General.* A Federal savings association shall not adopt a title that misrepresents the nature of the institution or the services it offers.

(b) *Title change.* Prior to changing its corporate title, an association must file with the OTS a written notice indicating the intended change. The OTS, shall provide to the association a timely written acknowledgment stating when the notice was received. If, within 30 days of receipt of notice, the OTS does not notify the association of its objection on the grounds set forth in paragraph (a) of this section, the association may change its title by amending its charter in accordance with § 544.2(b) or § 552.4 and the amendment provisions of its charter, except that an association chartered as a Federal Savings and Loan Association may change its title to indicate that it is a Federal Savings Bank, and an association chartered as a Federal Savings Bank may change its title to indicate that it is a Federal Savings and Loan Association.

[54 FR 49482, Nov. 30, 1989, as amended at 57 FR 14338, Apr. 20, 1992; 58 FR 4312, Jan. 14, 1993; 61 FR 64015, Dec. 3, 1996]

ORGANIZATION

§ 543.2 Application for permission to organize.

(a) *General.* Recommendations by employees of the OTS regarding applications for permission to organize a Federal savings association are privileged, confidential, and subject to § 510.5 (b) and (c) of this chapter.

(b) [Reserved]